

MIT Sloan School of Management

Alphanomics

Overview: Using AI to explain value investing

Instructions:

For this assignment, you'll be embracing the role of a teacher to delve into the world of value investing. You'll guide an AI in crafting an essay that encapsulates the principles of value investing, as if penned by Warren Buffett himself. As the saying goes, the best way to understand something is to teach it, and this exercise offers you a chance to do just that.

Here are the steps you need to follow:

- Prompt the AI: You'll start by providing the following prompt to your chosen AI
 program: "Write an essay as if you were Warren Buffett. Explain to a high school
 student what it means to value invest. Include specific examples involving real
 companies." This will generate an AI-written essay, which will serve as your base
 material.
- 2. Critique and Improve: Next, critique the Al's essay, and then guide it to improve its explanation of value investing. Reflect on our class lectures and discussions about value investing and consider how you can weave these concepts into the essay. Your task is to enhance the essay by providing more depth, clarifying any oversimplifications, inserting insightful analysis, and substantiating points with concrete examples.
- 3. Submit Your Work: Once you've finished coaching the AI, submit three things: the original AI essay, your list of suggested improvements, and the final revised essay.

This assignment will challenge you to critically assess the content and express your insights clearly and effectively. You may need to conduct additional research to provide the depth and breadth of understanding required in the essay. By doing so, you're not only teaching the AI but also fortifying your own grasp on the concepts of value investing.

By stepping into this educator role, you'll enrich your comprehension of value investing and actively participate in your learning journey. Remember, the end goal here is not just to guide the AI but also to further your own understanding. Good luck, and enjoy teaching!